

RICHARD G. LUGAR
UNITED STATES SENATOR

2012 MAY -9 PM 12:10
OFFICE OF GENERAL COUNSEL

May 4, 2012

Office of the General Counsel
Federal Election Commission
999 E St., NW
Washington, DC 20463

RE: MUR 6553

Dear General Counsel,

This correspondence is in response to your letter dated April 17, 2012 and received at Friends of Dick Lugar on April 20, 2012. This response involves Matter Under Review # 6553, a complaint filed with the Federal Election Commission (the "Commission") on or about April 4, 2012.

Having reviewed the complaint and the accompanying March 22, 2012 "analysis" of Senator Lugar's travel to and from Indiana, I would note, for the record, that the complainant acknowledges that he "does not know for certain if [the] Senator is using federal tax dollars to conduct political activity" and that the "findings" of the March 22, 2012 "analysis" do nothing more than "suggest the possibility" that Senator Lugar was reimbursed for travel expenses that "may have been" incurred in conjunction with political activity. Thus, it appears on its face that the complaint is based principally upon the complainant's personal speculation and supposition. As set forth below, with factual specificity, the complainant's speculation is unsupported by the facts.

In reviewing the complaint, we undertook an analysis of the Senator's travel to and from Indiana using the Commission's regulation entitled "Allocation of Candidate Travel Expenses" and we have reviewed the specific travel and schedules of Senator Lugar's official and campaign events noted in the complaint.

Using the Allocation of Candidate Travel Expenses template for the period covering August 24-September 2, 2011, we determined that this time frame covered a period in which the Senate was in its annual August recess. Given that fact, we determined that the travel expenses provided to Senator Lugar by the Senate Disbursing Office should be personally reimbursed by the Senator for that period. This personal reimbursement was made by the Senator and accepted by the Senate Disbursing Office on March 29, 2012, immediately after the Senator discovered that the travel expenses paid by the Senate for the August 24-September 2, 2011 period were provided to the Senator in error.

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I would also note that the Commission has previously determined that the use of Federal funds in connection with an office-holder's travel is governed by Congressional appropriations statutes and that mixed-purpose travel is subject to Congressional oversight, specifically Congressional Ethics Committee policy. Under the policies adopted by the Senate's Select Committee on Ethics, expenses for such a mixed-purpose trip may be pro-rated on a reasonable basis (i.e., number, nature, length and efforts dedicated to the various events) to accurately reflect the purposes of the trip. We have carefully observed this guidance. When the reimbursements for the Senator's travel became an issue in the media and the partisan CREW organization filed a complaint with the Senate Ethics Committee, outside counsel to the Senator met with the Staff Director/General Counsel of the Senate Ethics Committee on March 29, 2012 to inform the Select Committee of the Senator's action to personally reimburse the Treasury for any travel expenses accepted in error during Senate recess periods. Following that meeting, outside counsel informed the Senator's staff that the Senator's explanation and actions to correct this inadvertent error would be accepted by the Select Committee and that the CREW complaint would be dismissed.

The following represents our internal review of the Senator's travel to and from Indiana, and within Indiana, during the time-frame addressed in MUR # 6553:

- (1) For the period January 20-January 23, 2011: Senator Lugar had a majority of official events in Indianapolis. The mileage to and from his two campaign stops was paid for with campaign funds (reflected on our FEC report for that time period as a disbursement on our campaign credit card for travel expenses).
- (2) For the period May 31-June 5, 2011: Senator Lugar had a majority of official events in Indianapolis, Zionsville, Shelbyville, Greencastle, Terre Haute, Ferdinand, and Newburgh. The mileage to and from his campaign headquarters and five campaign events/visits was paid for with campaign funds (reflected on our FEC report on campaign credit card as travel expenses). Additionally, Senator Lugar personally paid for his lodging in Evansville, IN, on June 4, 2011.
- (3) For the period June 25-June 26, 2011: Senator Lugar had a majority of official events in Indianapolis, Bedford, and Nashville. The mileage to and from his two campaign events (one in Bedford and one in Carmel) was paid for with campaign funds (reflected on our FEC report on campaign credit card as travel expenses).
- (4) For the period covering July 3-July 5, 2011: This trip to Indiana from Washington was originally intended to cover the period from July 3-10, 2011. However, the Senate was called back into session and Senator Lugar had to fly back to Washington, DC for official duties. He conducted an official event on July 4 in Indianapolis and his mileage to and from the July 3 Syracuse event and the July 4 Fishers event was paid for with campaign funds (reflected on our FEC report on campaign credit card as travel expenses).
- (5) For the period covering July 8-July 10, 2011: Senator Lugar had a majority of official events in Indianapolis, Mooresville and Greenwood. The mileage to and from his two campaign

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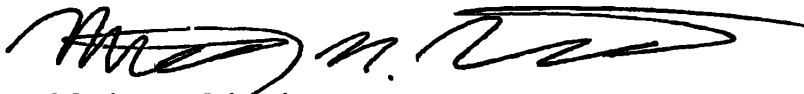
events (one in Terre Haute and one in Mooresville) was paid for with campaign funds (reflected on our FEC report on campaign credit card as travel expenses).

As a result, you will see that we have complied with the Commission's regulations at 11 CFR 106.3 that requires a candidate for Federal office to report expenditures for campaign-related travel. Where the Senator's trips have involved both campaign and non-campaign related stops, the expenditures allocable for campaign purposes have been paid for with campaign funds and duly and timely reported to the Commission based on the calculation of cost per mile from the starting point of the origin of the trip for campaign purposes to the ending point of origin.

We believe that the factual information provided above will give the Commission ample reason to dismiss this complaint. Thus, we ask the Commission to dismiss MUR # 6553 and take no further action against Friends of Dick Lugar, Inc.

Thank you for your attention to this matter. Should you have any addition questions, please feel free to contact me directly.

Sincerely,



Matthew R. Nicholson
Treasurer
Friends of Dick Lugar, Inc.

Copy to:
Federal Election Commission
Reports Analysis Division
999 E Street, NW
Washington, DC 20463

Identification # C00122176

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